

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2986-03
BILL NO.: HCS for HB 1357
SUBJECT: Jackson County: Sports and Amusement
TYPE: Original
DATE: April 11, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$3,554,695)	(\$4,881,782)	(\$5,028,235)
School District Trust	(\$1,184,898)	(\$1,577,261)	(\$1,676,078)
Total Estimated Net Effect on <u>All</u> State Funds*	(\$4,739,593)	(\$6,459,043)	(\$6,704,313)

***Subject to Appropriation**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government*	\$4,739,593	\$6,459,043	\$6,704,313

***Subject to Appropriation**

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Office of the State Treasurer assumes no fiscal impact.

Officials of the **Department of Revenue** stated this proposal would have no administrative impact on the Department, however, there would be fiscal impact to certain state funds. Officials stated fiscal impact is unknown.

SECTION 67.642 - JACKSON COUNTY SPORTS COMPLEX AUTHORITY

Officials of the **City of Kansas City Manager's Office** assume that the sales tax revenues at issue are collected by the state and would have no fiscal impact to Kansas City revenues.

Officials of the **Jackson County Sports Complex Authority** made some sales tax income estimates based on the state tax rate of 4.225%. Officials estimated that in 1999 the sales tax revenues generated at both sports complexes totaled \$3,129,512.

SECTION 67.1860 - 67.1878: ST. LOUIS SPORTS AUTHORITY

Officials of the **Office of Administration Division of Budget and Planning** stated if the State's portion of all sales tax revenue were to go into the St. Louis Sports Facility Fund there would be a loss of revenue to the State's General Revenue Fund and School District Trust Fund.

OA officials estimate the annual loss of revenue to the General Revenue Fund for the calendar year of 2000 at \$2,184,000 and a loss of \$728,000 to the School District Trust Fund. Officials stated that these estimates assume that the proposal applies only to the 4% statutory state sales tax and that parking fees are not subject to sales tax.

Oversight for the purposes of this fiscal note assumes this proposal would be effective September 1 of fiscal year 2001. Therefore, FY 2001 loss of revenue will be figured for 10 months with a one month lag for collections. Oversight assumes that for 10 months of FY 2001 the loss of revenue to the General Revenue Fund would be \$1,687,140 and the loss to the School District Trust Fund would total \$562,380. Loss of Revenue for FY 2002 for the General Revenue Fund is estimated to be \$2,317,006, and loss of funds to the School District Trust Fund is estimated to be \$722,335. Loss of revenue in FY 2003 to the General Revenue Fund is estimated to be \$2,386,516, and \$795,505 to the State's School District Trust Fund.

Oversight assumes that the state's portion would be 4% rather than 4.225% and calculated the revenue loss based on that assumption. Oversight assumed a 3% growth rate for inflation.

St. Louis County officials assume no fiscal impact.

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<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
<u>Loss</u> to General Revenue from (Section 67.642)	(\$1,867,555)	(\$2,564,776)	(\$2,641,719)
from (Sections 67.1876)	<u>(\$1,687,140)</u>	<u>(\$2,317,006)</u>	<u>(\$2,386,516)</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	<u>(\$3,554,695)</u>	<u>(\$4,881,782)</u>	<u>(\$5,028,235)</u>
SCHOOL DISTRICT TRUST FUND			
<u>Loss</u> to School District Trust from (Section 67.642)	(\$622,518)	(\$854,926)	(\$880,573)
from (Section 67.1876)	<u>(\$562,380)</u>	<u>(\$722,335)</u>	<u>(\$795,505)</u>
ESTIMATED NET EFFECT TO SCHOOL DISTRICT TRUST FUND	<u>(\$1,184,898)</u>	<u>(1,577,261)</u>	<u>(\$1,676,078)</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2001 (10 Mo.)	 FY 2002	 FY 2003
<u>Income</u> to Jackson County Sports Complex Authority from sales tax* (Section 67.642)	\$2,490,073	\$3,419,702	\$3,522,292
<u>Income</u> to St. Louis Sports Facilities Fund (Section 67.1876)	<u>\$2,249,520</u>	<u>\$3,039,341</u>	<u>\$3,182,021</u>
ESTIMATED NET PARTIAL EFFECT TO LOCAL GOVERNMENT *	<u>\$4,739,593</u>	<u>\$6,459,043</u>	<u>\$6,704,313</u>
* Subject to appropriation			

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

Subject to appropriation and in addition to existing appropriations, this bill requires that the state portion of all sales tax revenue generated within the Harry S Truman Sports Complex be placed in the Jackson County Convention and Sports Complex Fund and used solely for maintaining and refurbishing the complex.

This proposal establishes a St. Louis Area Sports Facilities Authority in St. Louis City, St. Louis County and in any participating county. The Authority would be a body corporate and politic.

The Authority would be administered by at least eight Commissioners, but not more than eleven Commissioners.

The Authority would fix and maintain rates and rentals and collect charges for the use and services of its interest in any facility owned by the Authority.

The amount of charges, fees, rents, would be in an amount sufficient to cover the costs of operation and maintenance of the facility and to pay the principal and interest on bonds, if any.

Fees, rents, or any other charges received by the Authority would be deposited in the "Sports Facilities Fund" created in the State Treasurer's Office. The State's portion of all sales tax revenue collected by sales inside, on the grounds of, or for tickets to any event in any sports facility which is owned, leased, subleased, or operated by, or under the jurisdiction of the Authority, would be deposited in the Sports Facility Fund but would be subject to appropriation.

Income of the Authority and all properties owned by the Authority would be exempt from all taxation in the State of Missouri.

Bonds issued by the Authority would not constitute a debt, liability or obligation of the State, or any political subdivision of the State but would be payable solely from the revenues and assets held by the Authority.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration - Division of Budget and Planning
State Treasurer's Office
Department of Revenue

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SOURCES OF INFORMATION (continued)

Kansas City Manager's Office
Jackson County Sports Complex Authority
St. Louis County

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director
April 11, 2000